

## Message Text

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PAGE 01 JAKART 00876 231454Z

46

ACTION XMB-04

INFO OCT-01 EUR-12 EA-06 ISO-00 EB-07 NASA-01 TRSE-00

OTPE-00 COME-00 OMB-01 CIAE-00 INR-07 NSAE-00 RSC-01

/040 W

----- 009685

R 220115Z JAN 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6222

INFO AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMCONSUL ANTWERP

LIMITED OFFICIAL USE JAKARTA 0876

EO 11652: N/A

TAGS: ETEL BFIN BTIO ID

SUBJ: INDONESIAN DOMESTIC SATELLITE PROJECT

REF: JAKARTA 595(NOTAL)

1. DURING CONVERSATION REPORTED REFTEL, ITT REPS TOLD AMBASSADOR THEY HAD BEEN OFFICIALLY INFORMED BY SOEHARDJONO DIRECTOR GENERAL OF PERUMTEL (GOI TELECOMMUNICATIONS AGENCY), THAT UNDER THE DOMESTIC SATELLITE PROJECT (DOMSAT) PHILIPS OF THE NETHERLANDS HAD BEEN AWARDED THE SWITCHING, TELEPHONE LINES AND CABLES FOR JAKARTA. THE TRUNK LINES AND EXCHANGES FROM JAKARTA TO THE REST OF JAVA, THE SWITCHING AND TELEPHONE OUTSIDE OF JAKARTA IN JAVA TOTALLING SOME 86,000 LINES AND THE SWITCHING AND TELEPHONE LINES OUTSIDE OF JAVA TOTALLING SOME 44,000 LINES WOULD LIKELY BE AWARDED TO ITT OF BELGIUM (BELL TELEPHONE MANUFACTURING, BTM). SIEMENS, ACCORDING TO ITT REPS IS OUT COMPLETELY.

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PAGE 02 JAKART 00876 231454Z

2. ITT REPS SPECULATED THAT PHILIPS HAD WON LION'S

SHARE (\$143 MILLION) OF SWITCHING CONTRACTS EVEN  
THOUGH UNIT PRICES HIGHER THAN BTM AND SOME EQUIPMENT  
DOD NOT MEET SPECIFICATIONS, BECAUSE IT OFFERED  
A SINGLE PACKAGE, WITH EVERYTHING FROM ONE COMPANY  
AND ATTRACTIVE FINANCING (10.4 PCT INTEREST  
RATE OVERALL). ALSO, PERUMTEL HAD PREVIOUSLY  
GIVEN PHILIPS A LETTER IN INTENT AND GOI DID NOT  
WANT TO DAMAGE ITS CREDIBILITY FURTHER BY RENEGING  
(HAVING RENEGED ON SIEMENS CONTRACT THAT HAD BEEN  
SIGNED BY PERUMTEL SUBJECT TO GOI APPROVAL OF  
FINANCING PACKAGE). ITT REPS SUGGESTED FURTHER-  
MORE THAT POLITICAL CONSIDERATIONS SUCH AS DECLINE  
IN IMPORTANCE OF US AS AID DONOR, CONGRESIONAL  
HOSTILITY TO OPEC MEMBERS AND STRONG ROLE PLAYED  
BY DUTCH IN IGGI MAY HAVE COMBINED TO GIVE DUTCH  
SOURCES AN ADVANTAGE OVER US COMPETITION. NEWSOM

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONTRACTS, COMMUNICATION SATELLITES, PROGRAMS (PROJECTS), PROPOSALS (BID)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975JAKART00876  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750025-0882  
**From:** JAKARTA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750131/aaaabays.tel  
**Line Count:** 77  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 JAKARTA 595(NOTA  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10 APR 2003 by KelleyW0>; APPROVED <16 MAY 2003 by MorefiRH>  
**Review Markings:**

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US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INDONESIAN DOMESTIC SATELLITE PROJECT  
**TAGS:** ETEL, EFIN, BTIO, ID, ITT, XMB  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006